The Competition Commission of India (CCI)

Mains: *GS II – Statutory Bodies*

Why in News?

Recently, the Competition Commission of India (CCI) imposed penalties on Rekha Agencies and SS Marketing for engaging in anti-competitive conduct in a 2013 Himachal Pradesh tender for procurement of tyres.

What is CCI?

- **CCI** – The Competition Commission of India (CCI) is the chief national market regulator and statutory body in India.
- **Administration** – Operating under the **Ministry of Corporate Affairs**.
- **Objective** – It enforces the **Competition Act, 2002** to promote fair business competition, prevent anti-competitive practices, protect consumer welfare, and ensure freedom of trade in Indian markets.

What are the functions of CCI?

- **Stopping Anti-Competitive Agreements** – The CCI bans unfair agreements like price-fixing, market-sharing, and bid-rigging (cartels) that hurt market fairness.
- **Preventing Abuse of Dominance** – It stops large companies and monopolies from using their power to control supplies, set unfair prices, or block other firms from entering the market.
- **Regulating Mergers and Acquisitions** – It reviews large business combinations and corporate mergers to make sure they do not reduce market competition.
- **Protecting Consumers** – It ensures that everyday buyers have access to a wide range of goods and services at fair prices and good quality.
- **Advisory and Advocacy Role** – It advises the government on competition policies, conducts market studies, and builds public awareness about fair trade laws.

What are the challenges face d by CCI?

- **Ex-post framework** – The CCI acts after anti-competitive harm happens, which can already push smaller rivals out of the market.
- **Tech giant power** – Big tech firms use data advantage, network effects, and self-preferencing to block new market entry.
- **Complex measurement** – Traditional market share rules fail to capture modern digital gatekeeper power.
- **Vacant positions** – About 42% of sanctioned staff posts remain empty, slowing down

case reviews.

- **Skill gaps –** The agency lacks enough technical experts specialized in advanced digital analytics and algorithms.
- **Stayed penalties –** Courts often stay or dismiss a large share of the massive financial penalties imposed by the CCI.
- **Cross-border limits –** The CCI struggles to summon foreign documents or enforce fines on assets located outside India.

What measures could be taken to strengthen the CCI?

- **Adopt Ex-Ante Rules –** Enact a specialized Digital Competition Act to regulate Systemically Significant Digital Enterprises (SSDEs) before anti-competitive harm happens, moving past purely ex-post enforcement.
- **Refine Thresholds –** Adjust deal-value thresholds to capture strategic tech and MSME acquisitions that currently slip past oversight.
- **Fill Vacancies –** Recruit skilled professionals to fill heavy staff shortages across sanctioned posts.
- **Enhance Expertise –** Expand the specialized Digital Markets and Data Unit with top economic, legal, and algorithmic analysts.
- **Speed Up Appeals –** Build specialized competition law expertise within appellate bodies like the NCLAT to reduce prolonged court stays on major penalties.
- **Clear Guidelines –** Publish explicit, transparent penalty guidelines to give the market a predictable barometer for compliance.
- **National Policy –** Implement the long-pending National Competition Policy to align industrial policy and public procurement with fair market standards.
- **State Engagement –** Build regional awareness and advocacy programs tailored for MSMEs, public authorities, and emerging local businesses.

References

1. CCI.Gov.in| Competition Commission of India
2. Live Law| CCI